

**Department of Defense**  
**Agency Wide**  
**CONSOLIDATED BALANCE SHEET**  
**As of June 30, 2010 and 2009**

	<b>2010 Consolidated</b>	<b>Restated 2009 Consolidated</b>
<b>1. ASSETS (Note 2)</b>		
A. Intragovernmental:		
1. Fund Balance with Treasury (Note 3)	\$ 668,358,135,230.74	\$ 675,909,500,340.92
2. Investments (Note 4)	502,991,631,864.60	438,662,378,731.08
3. Accounts Receivable (Note 5)	1,396,008,602.73	1,366,409,114.48
4. Other Assets (Note 6)	2,198,006,607.49	1,704,266,301.06
5. Total Intragovernmental Assets	<u>\$ 1,174,943,782,305.56</u>	<u>\$ 1,117,642,554,487.54</u>
B. Cash and Other Monetary Assets (Note 7)	\$ 2,179,919,013.11	\$ 2,825,450,386.11
C. Accounts Receivable, Net (Note 5)	9,353,592,331.48	7,624,370,838.86
D. Loans Receivable (Note 8)	465,600,488.63	352,000,336.79
E. Inventory and Related Property, Net (Note 9)	230,544,955,659.73	231,547,041,161.84
F. General Property, Plant and Equipment, Net (Note 10)	580,783,204,518.94	549,621,600,811.44
G. Investments (Note 4)	2,408,475,130.00	2,017,083,130.00
H. Other Assets (Note 6)	62,485,650,417.14	54,403,590,797.68
<b>2. TOTAL ASSETS</b>	<u><u>\$ 2,063,165,179,864.59</u></u>	<u><u>\$ 1,966,033,691,950.26</u></u>
<b>3. STEWARDSHIP PROPERTY, PLANT &amp; EQUIPMENT (Note 10)</b>		
<b>4. LIABILITIES (Note 11)</b>		
A. Intragovernmental:		
1. Accounts Payable (Note 12)	\$ 1,770,581,116.26	\$ 1,690,064,143.34
2. Debt (Note 13)	504,832,108.64	370,502,300.41
3. Other Liabilities (Note 15 & 16)	13,234,194,637.49	11,183,695,155.23
4. Total Intragovernmental Liabilities	<u>\$ 15,509,607,862.39</u>	<u>\$ 13,244,261,598.98</u>
B. Accounts Payable (Note 12)	\$ 38,741,699,846.74	\$ 39,812,680,226.47
C. Military Retirement and Other Federal Employment Benefits (Note 17)	2,012,371,716,186.34	1,985,030,949,280.14
D. Environmental and Disposal Liabilities (Note 14)	64,845,372,782.09	66,616,223,683.97
E. Loan Guarantee Liability (Note 8)	22,786,606.26	25,868,093.56
F. Other Liabilities (Note 15 & Note 16)	32,439,120,381.69	36,828,710,246.47
<b>5. TOTAL LIABILITIES</b>	<u><u>\$ 2,163,930,303,665.51</u></u>	<u><u>\$ 2,141,558,693,129.59</u></u>
<b>6. COMMITMENTS AND CONTINGENCIES (NOTE 16)</b>		
<b>7. NET POSITION</b>		
A. Unexpended Appropriations - Earmarked Funds (Note 23)	\$ 322,681,596.59	\$ 3,820,721.80
B. Unexpended Appropriations - Other Funds	670,672,327,216.36	669,097,985,226.37
C. Cumulative Results of Operations - Earmarked Funds	9,149,720,720.46	(78,561,765,932.89)
D. Cumulative Results of Operations - Other Funds	(780,909,853,334.33)	(766,065,041,194.61)
<b>8. TOTAL NET POSITION</b>	<u><u>\$ (100,765,123,800.92)</u></u>	<u><u>\$ (175,525,001,179.33)</u></u>
<b>9. TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 2,063,165,179,864.59</u></u>	<u><u>\$ 1,966,033,691,950.26</u></u>

Department of Defense

Agency Wide

CONSOLIDATED STATEMENT OF NET COST

For the periods ended June 30, 2010 and 2009

	2010 Consolidated	Restated 2009 Consolidated
<b>1. Program Costs</b>		
A. Gross Costs	\$ 520,588,344,661.34	\$ 500,546,627,601.20
Military Retirement Benefits	42,964,939,646.83	42,272,576,591.03
Civil Works	9,208,353,942.04	9,012,559,846.74
Military Personnel	118,304,595,483.81	113,344,951,324.68
Operations, Readiness & Support	205,613,413,201.72	198,719,307,294.36
Procurement	78,210,510,099.43	63,505,362,192.41
Research, Development, Test & Evaluation	61,092,042,748.81	64,289,196,044.69
Family Housing & Military Construction	5,194,489,538.70	9,402,674,307.29
C. (Less: Earned Revenue)	(46,435,529,841.05)	(23,378,155,056.89)
<b>2. Net Cost of Operations</b>	<u>\$ 474,152,814,820.29</u>	<u>\$ 477,168,472,544.31</u>

Department of Defense

Agency Wide

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

For the periods ended June 30, 2010 and 2009

	2010 Earmarked Funds	2010 All Other Funds
<b>CUMULATIVE RESULTS OF OPERATIONS</b>		
<b>1. Beginning Balances</b>	\$ 7,884,209,425.46	\$ (874,623,733,034.12)
<b>2. Prior Period Adjustments:</b>		
2.A. Changes in accounting principles (+/-)	0.00	0.00
2.B. Corrections of errors (+/-)	460,504.31	(1,338,137,182.94)
<b>3. Beginning balances, as adjusted</b>	7,884,669,929.77	(875,961,870,217.06)
<b>4. Budgetary Financing Sources:</b>		
4.B. Appropriations used	6,161,068.66	571,421,032,817.07
4.C. Nonexchange revenue	1,721,673,282.11	159,055,034.36
4.D. Donations and forfeitures of cash	31,058,743.18	1,876,378.74
4.E. Transfers-in/out without reimbursement	(723,359,626.97)	926,575,155.23
4.F. Other budgetary financing sources	334,729.47	0.00
<b>5. Other Financing Sources:</b>		
5.A. Donations and forfeitures of property	0.00	6,320,493.89
5.B. Transfers-in/out without reimbursement (+/-)	(213,496,001.82)	219,612,545.96
5.C. Imputed financing from costs absorbed by others	444,202.16	13,163,589,181.67
5.D. Other (+/-)	(9,002,791.63)	(6,336,667,091.58)
<b>6. Total Financing Sources</b>	813,813,605.16	579,561,394,515.34
<b>7. Net Cost of Operations (+/-)</b>	673,222,841.33	483,383,810,455.87
<b>8. Net Change</b>	140,590,763.83	96,177,584,059.47
<b>9. Cumulative Results of Operations</b>	8,025,260,693.60	(779,784,286,157.59)
<b>UNEXPENDED APPROPRIATIONS</b>		
<b>10. Beginning Balances</b>	\$ 5,617,665.25	\$ 504,339,278,829.77
<b>11. Prior Period Adjustments:</b>		
11.B. Corrections of errors	0.00	(1,192,798,435.50)
<b>12. Beginning balances, as adjusted</b>	5,617,665.25	503,146,480,394.27
<b>13. Budgetary Financing Sources:</b>		
13.A. Appropriations received	323,225,000.00	741,370,019,324.04
13.B. Appropriations transferred-in/out	20,237,000.00	793,263,000.00
13.C. Other adjustments (rescissions, etc)	0.00	(3,236,639,684.88)
13.D. Appropriations used	(6,161,068.66)	(571,421,032,817.07)
<b>14. Total Budgetary Financing Sources</b>	337,300,931.34	167,505,609,822.09
<b>15. Unexpended Appropriations</b>	342,918,596.59	670,652,090,216.36
<b>16. Net Position</b>	\$ 8,368,179,290.19	\$ (109,132,195,941.23)

Department of Defense

Agency Wide

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

For the periods ended June 30, 2010 and 2009

	2010 Eliminations	2010 Consolidated
<b>CUMULATIVE RESULTS OF OPERATIONS</b>		
<b>1. Beginning Balances</b>	\$ 0.00	\$ (866,739,523,608.66)
<b>2. Prior Period Adjustments:</b>		
2.A. Changes in accounting principles (+/-)	0.00	0.00
2.B. Corrections of errors (+/-)	0.00	(1,337,676,678.63)
<b>3. Beginning balances, as adjusted</b>	0.00	(868,077,200,287.29)
<b>4. Budgetary Financing Sources:</b>		
4.B. Appropriations used	0.00	571,427,193,885.73
4.C. Nonexchange revenue	0.00	1,880,728,316.47
4.D. Donations and forfeitures of cash	0.00	32,935,121.92
4.E. Transfers-in/out without reimbursement	0.00	203,215,528.26
4.F. Other budgetary financing sources	0.00	334,729.47
<b>5. Other Financing Sources:</b>		
5.A. Donations and forfeitures of property	0.00	6,320,493.89
5.B. Transfers-in/out without reimbursement (+/-)	0.00	6,116,544.14
5.C. Imputed financing from costs absorbed by others	9,905,325,626.79	3,258,707,757.04
5.D. Other (+/-)	0.00	(6,345,669,883.21)
<b>6. Total Financing Sources</b>	9,905,325,626.79	570,469,882,493.71
<b>7. Net Cost of Operations (+/-)</b>	9,904,218,476.91	474,152,814,820.29
<b>8. Net Change</b>	1,107,149.88	96,317,067,673.42
<b>9. Cumulative Results of Operations</b>	1,107,149.88	(771,760,132,613.87)
<b>UNEXPENDED APPROPRIATIONS</b>		
<b>10. Beginning Balances</b>	\$ 0.00	\$ 504,344,896,495.02
<b>11. Prior Period Adjustments:</b>		
11.B. Corrections of errors	0.00	(1,192,798,435.50)
<b>12. Beginning balances, as adjusted</b>	0.00	503,152,098,059.52
<b>13. Budgetary Financing Sources:</b>		
13.A. Appropriations received	0.00	741,693,244,324.04
13.B. Appropriations transferred-in/out	0.00	813,500,000.00
13.C. Other adjustments (rescissions, etc)	0.00	(3,236,639,684.88)
13.D. Appropriations used	0.00	(571,427,193,885.73)
<b>14. Total Budgetary Financing Sources</b>	0.00	167,842,910,753.43
<b>15. Unexpended Appropriations</b>	0.00	670,995,008,812.95
<b>16. Net Position</b>	\$ 1,107,149.88	\$ (100,765,123,800.92)

Department of Defense

Agency Wide

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

For the periods ended June 30, 2010 and 2009

	Restated 2009 Earmarked Funds	Restated 2009 All Other Funds
<b>CUMULATIVE RESULTS OF OPERATIONS</b>		
<b>1. Beginning Balances</b>	\$ 8,654,253,034.03	\$ (932,411,601,799.36)
<b>2. Prior Period Adjustments:</b>		
2.A. Changes in accounting principles (+/-)	0.00	5,537,153,054.20
2.B. Corrections of errors (+/-)	460,504.31	26,265,129,763.72
<b>3. Beginning balances, as adjusted</b>	8,654,713,538.34	(900,609,318,981.44)
<b>4. Budgetary Financing Sources:</b>		
4.B. Appropriations used	5,742,069.46	519,057,298,128.90
4.C. Nonexchange revenue	1,825,905,601.87	68,531,066.97
4.D. Donations and forfeitures of cash	24,147,592.33	137,653.75
4.E. Transfers-in/out without reimbursement	(695,956,570.38)	852,167,233.71
4.F. Other budgetary financing sources	0.00	0.00
<b>5. Other Financing Sources:</b>		
5.A. Donations and forfeitures of property	660,587.28	1,745,776.65
5.B. Transfers-in/out without reimbursement (+/-)	(13,211,754.85)	57,124,271.22
5.C. Imputed financing from costs absorbed by others	5,218.04	12,080,338,174.36
5.D. Other (+/-)	(19,028,360.82)	(12,179,951.15)
<b>6. Total Financing Sources</b>	1,128,264,382.93	532,105,162,354.41
<b>7. Net Cost of Operations (+/-)</b>	1,758,790,838.23	484,146,837,583.51
<b>8. Net Change</b>	(630,526,455.30)	47,958,324,770.90
<b>9. Cumulative Results of Operations</b>	8,024,187,083.04	(852,650,994,210.54)
<b>UNEXPENDED APPROPRIATIONS</b>		
<b>10. Beginning Balances</b>	\$ 5,062,791.26	\$ 446,864,122,602.50
<b>11. Prior Period Adjustments:</b>		
11.B. Corrections of errors	0.00	(5,303,218,832.13)
<b>12. Beginning balances, as adjusted</b>	5,062,791.26	441,560,903,770.37
<b>13. Budgetary Financing Sources:</b>		
13.A. Appropriations received	4,500,000.00	753,323,041,063.12
13.B. Appropriations transferred-in/out	0.00	(153,987,478.22)
13.C. Other adjustments (rescissions, etc)	0.00	(6,574,674,000.00)
13.D. Appropriations used	(5,742,069.46)	(519,057,298,128.90)
<b>14. Total Budgetary Financing Sources</b>	(1,242,069.46)	227,537,081,456.00
<b>15. Unexpended Appropriations</b>	3,820,721.80	669,097,985,226.37
<b>16. Net Position</b>	\$ 8,028,007,804.84	\$ (183,553,008,984.17)

Department of Defense

Agency Wide

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

For the periods ended June 30, 2010 and 2009

	2009 Eliminations	Restated 2009 Consolidated
<b>CUMULATIVE RESULTS OF OPERATIONS</b>		
<b>1. Beginning Balances</b>	\$ 0.00	\$ (923,757,348,765.33)
<b>2. Prior Period Adjustments:</b>		
2.A. Changes in accounting principles (+/-)	0.00	5,537,153,054.20
2.B. Corrections of errors (+/-)	0.00	26,265,590,268.03
<b>3. Beginning balances, as adjusted</b>	0.00	(891,954,605,443.10)
<b>4. Budgetary Financing Sources:</b>		
4.B. Appropriations used	0.00	519,063,040,198.36
4.C. Nonexchange revenue	0.00	1,894,436,668.84
4.D. Donations and forfeitures of cash	0.00	24,285,246.08
4.E. Transfers-in/out without reimbursement	0.00	156,210,663.33
4.F. Other budgetary financing sources	0.00	0.00
<b>5. Other Financing Sources:</b>		
5.A. Donations and forfeitures of property	0.00	2,406,363.93
5.B. Transfers-in/out without reimbursement (+/-)	0.00	43,912,516.37
5.C. Imputed financing from costs absorbed by others	8,737,155,877.43	3,343,187,514.97
5.D. Other (+/-)	0.00	(31,208,311.97)
<b>6. Total Financing Sources</b>	8,737,155,877.43	524,496,270,859.91
<b>7. Net Cost of Operations (+/-)</b>	8,737,155,877.43	477,168,472,544.31
<b>8. Net Change</b>	0.00	47,327,798,315.60
<b>9. Cumulative Results of Operations</b>	0.00	(844,626,807,127.50)
<b>UNEXPENDED APPROPRIATIONS</b>		
<b>10. Beginning Balances</b>	\$ 0.00	\$ 446,869,185,393.76
<b>11. Prior Period Adjustments:</b>		
11.B. Corrections of errors	0.00	(5,303,218,832.13)
<b>12. Beginning balances, as adjusted</b>	0.00	441,565,966,561.63
<b>13. Budgetary Financing Sources:</b>		
13.A. Appropriations received	0.00	753,327,541,063.12
13.B. Appropriations transferred-in/out	0.00	(153,987,478.22)
13.C. Other adjustments (rescissions, etc)	0.00	(6,574,674,000.00)
13.D. Appropriations used	0.00	(519,063,040,198.36)
<b>14. Total Budgetary Financing Sources</b>	0.00	227,535,839,386.54
<b>15. Unexpended Appropriations</b>	0.00	669,101,805,948.17
<b>16. Net Position</b>	\$ 0.00	\$ (175,525,001,179.33)

Department of Defense

Agency Wide

COMBINED STATEMENT OF BUDGETARY RESOURCES

For the periods ended June 30, 2010 and 2009

	2010 Combined	Restated 2009 Combined
<b>BUDGETARY FINANCING ACCOUNTS</b>		
<b>BUDGETARY RESOURCES:</b>		
1. Unobligated balance, brought forward, October 1	\$ 145,897,237,559.45	\$ 134,381,771,631.59
2. Recoveries of prior year unpaid obligations	43,413,164,617.63	48,446,065,552.75
3. Budget authority		
3.A. Appropriation	878,585,487,479.93	868,891,444,057.26
3.C. Contract authority	76,678,544,310.74	70,925,539,287.09
3.D. Spending authority from offsetting collections		
3.D.1 Earned		
3.D.1.a. Collected	132,107,253,057.94	129,427,340,938.53
3.D.1.b. Change in receivables from Federal sources	209,680,019.18	(49,707,670.19)
3.D.2 Change in unfilled customer orders		
3.D.2.a. Advance received	(17,428,533.47)	850,462,789.67
3.D.2.b. Without advance from Federal sources	18,218,536,972.47	14,429,875,100.87
3.D.3. Anticipated for rest of year, without advances	17,276,533,703.71	11,793,260,148.65
3.D.5. Expenditure transfers from trust funds	793,000,000.00	772,543,000.00
3.E. Subtotal	1,123,851,607,010.50	1,097,040,757,651.88
4. Nonexpenditure transfers, net, anticipated and actual	988,094,888.73	18,638,010.74
5. Temporarily not available pursuant to Public Law	(198,249,999.96)	(203,135,749.99)
6. Permanently not available	(58,493,134,618.19)	(60,139,231,718.45)
<b>7. Total Budgetary Resources</b>	<b>\$ 1,255,458,719,458.16</b>	<b>\$ 1,219,544,865,378.52</b>

Department of Defense

Agency Wide

COMBINED STATEMENT OF BUDGETARY RESOURCES

For the periods ended June 30, 2010 and 2009

	2010 Combined	Restated 2009 Combined
<b>Status of Budgetary Resources:</b>		
8. Obligations incurred:		
8.A. Direct	\$ 653,541,794,880.08	\$ 639,231,214,618.60
8.B. Reimbursable	135,243,475,362.07	129,778,359,778.16
8.C. Subtotal	788,785,270,242.15	769,009,574,396.76
9. Unobligated balance:		
9.A. Apportioned	339,665,252,764.01	361,035,554,619.01
9.B. Exempt from apportionment	82,753,064,688.70	42,982,866,559.14
9.C. Subtotal	422,418,317,452.71	404,018,421,178.15
10. Unobligated balance not available	44,255,131,763.30	46,516,869,803.61
<b>11. Total status of budgetary resources</b>	<b>\$ 1,255,458,719,458.16</b>	<b>\$ 1,219,544,865,378.52</b>
<b>Change in Obligated Balance:</b>		
12. Obligated balance, net		
12.A. Unpaid obligations, brought forward, October 1	\$ 454,102,592,970.60	\$ 432,118,292,514.87
12.B. Less: Uncollected customer payments from Federal sources, brought forward, October 1	(67,702,264,972.03)	(66,602,151,417.69)
12.C. Total unpaid obligated balance	386,400,327,998.57	365,516,141,097.18
13. Obligations incurred net (+/-)	788,785,270,242.15	769,009,574,396.76
14. Less: Gross outlays	(753,521,709,553.43)	(715,031,579,166.31)
16. Less: Recoveries of prior year unpaid obligations, actual	(43,413,164,617.63)	(48,446,065,552.75)
17. Change in uncollected customer payments from Federal sources (+/-)	(18,626,466,991.61)	(14,573,303,180.67)
18. Obligated balance, net, end of period		
18.A. Unpaid obligations	445,952,989,041.69	437,650,222,192.57
18.B. Less: Uncollected customer payments from Federal sources (-)	(86,328,731,963.64)	(81,175,454,598.36)
18.C. Total, unpaid obligated balance, net, end of period	359,624,257,078.05	356,474,767,594.21
<b>Net Outlays</b>		
<b>19. Net Outlays:</b>		
19.A. Gross outlays	753,521,709,553.43	715,031,579,166.31
19.B. Less: Offsetting collections	(132,684,574,524.51)	(130,857,210,978.21)
19.C. Less: Distributed Offsetting receipts	(75,060,475,207.48)	(63,408,550,579.11)
<b>19.D. Net Outlays</b>	<b>\$ 545,776,659,821.44</b>	<b>\$ 520,765,817,608.99</b>



Department of Defense

Agency Wide

COMBINED STATEMENT OF BUDGETARY RESOURCES

For the periods ended June 30, 2010 and 2009

	2010 Combined	Restated 2009 Combined
<b>NONBUDGETARY FINANCING ACCOUNTS</b>		
<b>BUDGETARY RESOURCES</b>		
1. Unobligated balance, brought forward, October 1	\$ 23,629,350.77	\$ 26,288,799.03
2. Recoveries of prior year unpaid obligations	0.00	47,500,000.00
3. Budget authority		
3.B. Borrowing authority	26,151,684.23	89,311,496.69
3.D. Spending authority from offsetting collections		
3.D.1 Earned		
3.D.1.a. Collected	41,541,109.32	32,998,367.81
3.D.1.b. Change in receivables from Federal sources	13,286.44	471,069.24
3.D.2 Change in unfilled customer orders		
3.D.2.b. Without advance from Federal sources	(22,706,624.00)	(3,354,808.90)
3.D.3 Anticipated for rest of year, without advances	1,050,495.42	4,331,570.28
3.E. Subtotal	46,049,951.41	123,757,695.12
6. Permanently not available	(4,912,016.14)	(32,077,202.30)
<b>7. Total Budgetary Resources</b>	<b>\$ 64,767,286.04</b>	<b>\$ 165,469,291.85</b>

Department of Defense

Agency Wide

COMBINED STATEMENT OF BUDGETARY RESOURCES

For the periods ended June 30, 2010 and 2009

	2010 Combined	Restated 2009 Combined
<b>Status of Budgetary Resources:</b>		
8. Obligations incurred:		
8.A. Direct	\$ 24,659,856.11	\$ 136,942,621.79
8.C. Subtotal	24,659,856.11	136,942,621.79
9. Unobligated balance:		
9.A. Apportioned	19,641,095.91	981,438.17
9.C. Subtotal	19,641,095.91	981,438.17
10. Unobligated balance not available	20,466,334.02	27,545,231.89
<b>11. Total Status of Budgetary Resources</b>	<b>\$ 64,767,286.04</b>	<b>\$ 165,469,291.85</b>
<b>Change in Obligated Balance:</b>		
12. Obligated balance, net		
12.A. Unpaid obligations, brought forward, October 1	\$ 770,407,504.00	\$ 872,890,987.00
12.B. Less: Uncollected customer payments from Federal sources, brought forward, October 1	(132,161,578.00)	(142,936,786.00)
12.C. Total unpaid obligated balance	638,245,926.00	729,954,201.00
13. Obligations incurred net (+/-)	24,659,856.11	136,942,621.79
14. Less: Gross outlays	(109,160,780.85)	(144,587,339.86)
16. Less: Recoveries of prior year unpaid obligations, actual	0.00	(47,500,000.00)
17. Change in uncollected customer payments from Federal sources (+/-)	22,693,337.56	2,883,739.66
18. Obligated balance, net, end of period		
18.A. Unpaid obligations	685,906,579.26	817,746,268.93
18.B. Less: Uncollected customer payments from Federal sources (-)	(109,468,240.44)	(140,053,046.34)
18.C. Total, unpaid obligated balance, net, end of period	576,438,338.82	677,693,222.59
<b>Net Outlays</b>		
<b>19. Net Outlays:</b>		
19.A. Gross outlays	109,160,780.85	144,587,339.86
19.B. Less: Offsetting collections	(41,541,109.32)	(32,998,367.81)
<b>19.D. Net Outlays</b>	<b>\$ 67,619,671.53</b>	<b>\$ 111,588,972.05</b>